

READ.

DIGEST.

ACT.

SOUND MONEY

THROUGH

Bimetallic Coinage.

BY

A FRIEND OF THE PEOPLE.



CHICAGO.

J. M. REID PUBLISHING COMPANY,

1896.



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PREFACE.

The popular mind is more or less confused on the money question. So many half-truths have been presented that men are in doubt as to which policy is best. A truthful presentation of facts bearing upon this subject will clear away the cobwebs of sophistry and enable men to judge aright. The advocates on both sides are no doubt honest, wise and patriotic, but of two opposite opinions, both cannot be true. But facts are facts and truth is truth. By presenting the facts the mind is able to infer the truth. The business calamities of this generation doubtless arise from the departure from the financial policy of the world in past generations, and the cure seems to lie in going back to gold and silver as the money of the past. Read and consider.

T. R. V.

See new 179a.46

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### I. BRIEF HISTORY OF COINAGE.



THE present fineness of our gold and silver coinage was fixed by the law of January 18, 1837, at 9 parts pure metal and 1 part alloy. The weight of the silver dollar was established by the law of April 2, 1792, and of the gold eagle by the law of June 28, 1834. By these laws the present ratio of 16 to 1 has been established. The silver dollar has been invariable, while the gold dollar has varied from 24.75 grains of pure gold to 23.22 grains. Silver had been worth more relatively than gold, and this difference was equalized by decreasing the quantity of gold in the dollar. Should gold



be relatively worth more than silver the nations have reduced the quantity of gold to maintain the ratio.

The history of the ratio of 16 to 1 is curious. At the end of the seventeenth century such men as John Locke, Lord Montague and Sir Isaac Newton were the advocates of sound money. In the sixteenth century Henry VIII. had adopted the Roman aureus of 123 grains as the monetary unit, and this is now the weight of the pound sterling. The English divided a pound of silver into 60 shillings, the exact weight of our silver quarter. The silver was worth more than the gold, and *the bad money (the gold) drove out the good money (the silver)*. This is the origin of GRESHAM'S LAW. In 1697, when Sir Isaac Newton was made director of the British Mint, there was a gold and silver contest about the coinage, and he reported that  $20\frac{1}{2}$  shillings should equal a pound sterling.

$$20\frac{1}{2} \times 96 \text{ gr.} = 1968 \text{ gr.} \quad 1968 \div 123 = 16.$$

The ratio of 16 to 1 was not established in this country finally until 1837, 140 years



after Newton obtained it by careful investigation. The relative value of silver to gold advanced between 1697 and 1817, so that the British again depreciated their standard by dividing a pound of silver into 66 shillings, making 20 of these equal to the pound sterling, thus making 1,744 gr. of silver equal a sovereign instead of 1,968 gr., as determined by Newton. Much is said about England establishing a gold standard in 1817. She established the gold standard because gold had depreciated a little over 11 per cent. In 1830, according to statistics, the sovereign was worth only \$4.57. The old par of exchange was \$4.44 $\frac{4}{9}$ , with something added for exchange. How it happens that, in the face of the vast production of gold in California, Australia and elsewhere, the gold sovereign is now worth \$4.87 cannot be explained except on the theory that England bulled the market and is trying to force the world to measure values by an appreciated standard.

When Columbus discovered America the ratio of gold to silver was 11.3 to 1. The

production of so much silver in America during the sixteenth century raised the value of gold so that by the end of that century the ratio was 15 to 1, and in 1875 the ratio abroad was 16 to 1. This was the condition of affairs when silver was dropped from the coinage without the knowledge or consent of the American people.

Mr. Groesbeck (page 23) stated, in regard to the demonetization of silver in 1873, that "the American people had never been asked whether they wished silver to remain a legal tender," etc.

Silver has always measured gold. With the growth of great commercial interests, more money is needed. We must have sound money, gold and silver measuring one another. A new problem has presented itself to the race, and it has become needful to secure an invariable standard of value. A standard cannot be a variable quantity. *The usufruct of the earth is for the living*, but by changing standards one generation could impose insufferable burdens upon another. Every debt increases with an ap-

preciation of this standard. A yardstick made of an elastic substance would not measure fabrics, nor would a rubber bag be a suitable measure for grains or liquids. The plea that we cannot have two standards is legitimate, but two standards that will check undue appreciation or depreciation of either are an absolute necessity. *Bimetalism is a sound and wholesome doctrine.*

The history of money shows that the ratio of the value of gold and silver varies at long intervals. It is not sudden unless some legal corner is set up. The disuse of silver as a coin-metal could not fail to depreciate its bullion value. If I manufacture articles for which there is no demand, I must sacrifice them in the market or hold them as dead stock. If people were prohibited from eating pork the price of ham would fall. This is an inevitable law.

By hook or crook, or by some other legislative manipulation, the law makes gold the standard of value. Men are divided on the subject. Parties are divided, and new issues are now before the people. The masses are

suffering. Nero fiddles while Rome burns. The welfare of a nation is in jeopardy. The case is Money Bags vs. Bread for our wives and children. The Money-Lenders' threaten to foreclose upon the property of borrowers to force them to continue to pay tribute to the gold monometalists. It is money against manhood. It is greed against need. It is slavery against freedom. But invective is futile. Action, united, unyielding opposition to the minions of greed, is all that can save us from untold calamity.

*An international agreement* is the delusion held out. Restore silver to its place as a money metal, and the international agreement will come. We are weak, say they, but when shall we be stronger? Our strength is in the justice of our cause and the earnestness of our purpose. We accept the lowest value of silver, 16 to 1. We have much silver and little gold, and the little gold that we have is flowing out by the endless-chain pump. A man must be either a fool or a rascal not to be alarmed at the menace that hangs over us. The tornado will surely

tear us to pieces. The financial question is paramount to every other. Our friends must organize victory. Several things must be accomplished:

1. Coin must mean gold or silver, or both, not maintained at a parity at a great cost, but as legal-tender money for all purposes. "If we do this, we will lose our gold," say the gold monometalists. If our exports exceed our imports, the gold cannot go abroad. Our pleasure-seekers may carry \$300,000,000 abroad annually, and thus waste upon pleasure what is needed for business. We may mortgage our property by selling bonds at a discount for any kind of money, and pay them at par in gold. Here are the two sources of our danger, and there should be patriotism enough in our people to set their faces as flints against both. Why borrow gold abroad at a heavy interest and leave our mountains of silver lie idle? How the shrewd Englishman must laugh at our folly! Coin the home product of silver and lend it to the people who need money to develop business! This is hard



common sense, and our practical people are beginning to see it. *Let us be independent and not mortgaged to the world.*

“Oh,” but you say, “silver is too bulky for a money-metal. We must have something compact, like gold. It costs too much to transport it, etc. We have more silver now than we can use.”

These are objections, it is true, but they are only apparently so. The new needs of the country can be easily met by a new coinage, a coinage which will afford a more stable unit of value. We should be equal to every demand. The inventive genius of our people should provide the needed remedy.

If gold is too precious for common use in small transactions, and silver is too bulky for large ones, why not combine the two and produce a coin suited to the age? Gold and silver exist together in the earth, showing that God designs that they should be combined. Iron, coal and limestone exist together, that the ores may be smelted.

Let us see what could be done in the mat-

ter of making a gold-silver coin suitable to our needs. Should we take 16.5 gr. of coin-gold and 148.5 gr. of coin-silver, we would have a coin weighing 165 gr. and worth a dollar at the present coinage values. This coin would weigh  $\frac{2}{5}$  of a silver dollar, and \$1,000 would weigh 24 lbs.; whereas \$1,000 now weighs 60 lbs. We could have multiples of  $2\frac{1}{2}$  and 5 dollars, and discontinue the coinage of all gold coins under \$10. These coins would be neither too large nor too small; \$2.50 would be just the weight of a silver dollar and \$5 would weigh less than two ounces. These coins would enlarge the use of silver coin materially.

The chief advantage, however, of this gold-silver coinage would be that it would afford a more stable standard of value, which a single metal cannot do. In our brief examination of gold and silver, we find that they have varied in expansion, and that they will continue to do so is as certain as anything future possibly can be. The best gold fields of the world have been gar-



nered. The rivers which once "rolled down their golden sands" have been drained of their gold, and the new mines will follow the fate of the old ones. There is no more gold in Pactolus to enrich a Croesus, nor does any Solomon send his ships to Ophir for gold. To keep gold and silver precious, they are planted in the earth in limited quantities, and soon the rich finds will be exhausted. The silver and gold are for man's use, and there is no superabundance of either. Man needs all that is discovered to render him happy. Let us use the divine gifts frugally and wisely.

Two metals are needed for a standard, because of the different degrees of their production from time to time. A large output of gold depreciates its value and appreciates the value of silver. The opposite is equally true.

If our standard coinage were made of the two metals, the appreciation of one metal would be counteracted by the depreciation of the other, while their relative value would continue a constant quantity. This

fact is inferred from the facts in the case. We might illustrate this by a scientific fact. The time beaten by a pendulum depends upon its length. Temperature affects the length by expanding and contracting the material of which the pendulum is made. To secure a pendulum of unvarying length, it is made of metals having different degrees of expansibility. In the compound or grid-iron pendulum, brass and steel are used. The brass has the greater expansibility, and hence its rods are the longer. While the brass rods expand downwards, they are fastened to steel rods, which expand upwards in proportion, and in this way the pendulum is kept at an unvarying length.

Now, apply this to the standard coin, and you will find that the appreciation of gold will be balanced by the depreciation of silver, and *vice versa*. This is the only way in which an unvarying standard of value can be obtained.

## II. FACTS.



THE money at the death of Augustus, 14 B. C., equalled £353,000,000. This is the highest point of accumulation. See Production and Consumption of Precious Metals. *Jacob I., p. 224.*

A. D. 800, this supply is reduced to £33,000,000.—*Ibid, p. 237.* The supply from 800 A. D. to 1492 was equal to the demand.

An abundant use of silver prevents the appreciation of gold; for where silver is scarce gold is dear, and where silver is plentiful gold is cheap. In 1789, gold was worth only  $3\frac{1}{4}$  cents per grain, and in 1815, gold was worth  $3\frac{9}{11}\frac{6}{3}$  cents per grain in silver. Why should a pound sterling be now worth \$4.87? The disuse of silver as a money metal causes it.

NOTE.—A kilogram of silver is worth about \$33 and of gold \$528.

*Table showing the production of gold and silver from 1492 to 1879 in kilograms:*

| PERIOD.   | YEAR. | GOLD.     | SILVER.     | RATIO. |
|-----------|-------|-----------|-------------|--------|
| 1493-1520 | 28    | 162,401   | 1,316,000   | 11.3   |
| 1521-1544 | 24    | 171,800   | 2,165,000   | 11.2   |
| 1545-1580 | 36    | 273,000   | 10,976,000  | 11.5   |
| 1581-1600 | 20    | 147,600   | 8,378,000   | 11.9   |
| 1601-1620 | 20    | 170,400   | 8,458,000   | 13.0   |
| 1621-1640 | 20    | 166,000   | 7,872,000   | 13.4   |
| 1641-1660 | 20    | 175,400   | 7,326,000   | 13.8   |
| 1661-1686 | 20    | 185,200   | 6,740,000   | 14.7   |
| 1681-1700 | 20    | 215,000   | 6,838,000   | 15.0   |
| 1701-1720 | 20    | 256,400   | 7,112,000   | 15.2   |
| 1721-1740 | 20    | 381,600   | 8,624,000   | 15.1   |
| 1741-1760 | 20    | 492,200   | 10,663,000  | 14.8   |
| 1761-1780 | 20    | 414,100   | 13,055,000  | 14.8   |
| 1781-1800 | 20    | 355,800   | 17,581,000  | 15.1   |
| 1800-1820 | 20    | 292,200   | 14,350,000  | 15.5   |
| 1820-1840 | 20    | 345,100   | 10,570,000  | 15.7   |
| 1841-1850 | 10    | 547,000   | 7,804,000   | 15.8   |
| 1851-1860 | 10    | 2,943,200 | 14,532,000  | 15.4   |
| 1861-1870 | 10    | 1,813,100 | 12,201,000  | 15.6   |
| 1871-1879 | 9     | 1,390,200 | 19,306,000  | 16.0   |
| 1493-1850 | 358   | 4,752,100 | 149,828,000 | 14.05  |
| 1851-1879 | 29    | 5,451,200 | 40,957,000  | 15.85  |

The difference between ancient and modern times lies in the fact that in one *war* was the means of distributing the gold and silver, and in the other, *commerce*. From these figures it appears that gold has gradually appreciated. This appreciation is not

always dependent on production, but upon the fact that a greater commercial use was made of gold. All the evidence goes to show that gold appreciates. What will it not do when the check of silver is entirely removed? As the tendency is to adopt a more valuable currency as wealth increases, there is a present necessity to have a gold-silver coinage instead of silver alone. A debt is something due at some future time. The appreciation of gold adds to the burden of the borrower and increases the wealth of the lender.

From 1850 to 1866, silver appreciated in the London market from 15.7 to 15.4 relatively to gold. The production of gold in California and Australia in large quantities appreciated the value of silver.

The great production of silver in our western states from 1867 to 1877, depreciated the value of silver from 15.57 to 17.01. These two facts clearly show the necessity of a bimetallic standard, so that the relative expansion of production may be equalized.

### III. SILVER HAS BEEN THE MEASURE.



AT the monetary conference in 1878, Mr. Groesbeck said : " In these varying phases of our monetary history, the silver dollar has never been touched. The gold coins have been changed, but the silver dollar has remained such as it was in the first days of the Republic."—*P. 21, Report, International Monetary Conference.*

At the same Conference, in discussing the single standard, Mr. Goshen, the English representative, said : " Assuming that the universal double standard preferred by the United States be not adopted, what will be the future of silver? \* \* \* A campaign against silver would be extremely dangerous, even for countries with a gold standard."—*Page 51.* And yet the men who have so bravely stood up for silver, are tabooed by the advocates of gold monometalism.



Further on Mr. Goshen says: "The American proposal for a universal double standard seemed impossible of realization—a veritable Utopia; but the theory of a universal gold standard was equally Utopian and indeed involved a false Utopia. It was better for the world at large that the two metals should continue in circulation than that one should be universally substituted for the other." What a blind chase after an *ignis fatuus*, this talk about an international ratio is! It is a snare and a delusion; a mere straddle to deceive the unwary.

John Sherman, Secretary of the Treasury, July 15, 1878, wrote: "I was strongly in favor of a single gold standard (1873, no doubt). \* \* \* Other arguments, showing the dangerous effect upon industry by dropping one of the precious metals from the standard of value, outweigh in my mind all theoretical objections to the bimetallic system."

Louis XVI. says in his proclamation issued October 30, 1785, fixing the ratio between gold and silver: "The vigilant




attention which we give to all that can affect the fortunes of our subjects and the welfare of our state has caused us to perceive that the price of gold in commerce has increased within late years." Page 153. Louis found that the gold mark (.5153 lb.) had appreciated and adjusted this weight by recoinng the gold at a ratio of 15.5, the present ratio of France. This made a pound of gold worth in silver \$313.54, with silver worth \$20.23 per pound.

In April, 1803, Napoleon, the First Consul of France, decreed that "5 grams (77.41 gr.) of silver .9 fine should be the monetary unit of France and should retain the name of franc." This makes 400 grains of coin silver equal to a dollar. Our coinage being at the rate of 16 to 1, is  $\frac{1}{3\frac{1}{2}}$  better than French silver.

Thus silver was the unit of measure at the beginning of this century.

#### IV. DANGER OF MONOMETALISM.

HE Dutch as a people are well versed in monetary affairs, and in 1873 from the address to the King by the Society for the Promotion of Industry, we clip the following: "We avow our belief that, under existing circumstances, the general adoption of the double standard with the proportion of 15.5 to one, would be the best and perhaps the only method of preventing the disturbance which now threatens all monetary transactions, a disturbance the disastrous consequences of which are, perhaps, incalculable." Silver was demonetized and the disastrous consequences have come! In 1873, John Sherman managed to drop the silver dollar from the mintage, but so soon was this ill-advised policy apparent, that five years afterwards he said: "The dangerous effect upon industry by dropping one of the precious metals

from the standard of value, outweigh in my mind all theoretical objections to the bi-metallic system." Experience has shown that countless financial, commercial, and industrial disasters would have been averted, had free coinage then been restored. When a man makes a mistake, he should go back and work his problem anew. Let us begin with 1873, not with 1896, and coin our silver on the old basis. After we return to a normal condition, it will be time to talk of *international agreements*. God has given us abundance of silver. Let us use it and avert calamities.

"History is experience teaching by example," and teaches us that silver is the real money unit. The facts we have given outweigh all the crazy theories about a single gold standard invented by brainless would-be statesmen and crazy book-worms who know nothing comparatively in regard to the world of men who rub against rough things. If Sherman could only have seen the outcome of his act, he would never have been induced to embody the perilous

theory of gold monometalism in the statutes of the United States.

These wise Dutchmen, whom we have just quoted, make another observation which should be printed in letters of gold. They say: "If a uniform legal ratio were to be very generally adopted, it is evident that the expulsion of one of the metals and the admission of the other would lead to a greater supply of the first metal and a greater demand for the second in other countries. This would reduce the fluctuations of price to a minimum. We should enjoy, on a vast scale, the compensatory action which is peculiar to the double standard system."

The cry of the single gold-standard men is that we would lose our gold. Let us see how this would act. Our silver dollar is an honest dollar, better intrinsically than French silver coin, which is legal tender money along with gold in France. If we ran short of gold our silver, being worth more in France than French silver, would cause French gold to flow toward this country in exchange for silver. But you say

silver bullion is depreciated. True: but if silver is not excluded from the mints, the owners of silver will have it coined, and silver bullion will rise in price. This is inevitable. There has been, it is true, an increased production of silver, but there has also been an unusual production of gold. The ratio of production has not been materially changed. By a gold-silver coinage, which provides for a larger use of silver, this surplusage of the coin metals can be turned to advantage and prosperity and happiness brought to the distressed inhabitants of the earth.



## V. HOW TO BREAK THE ENDLESS CHAIN.



WITH the demonetization of silver, came the other baneful law which provides for the maintenance of the parity of all kinds of dollars. Much is said of a 50-ct. dollar, but no one has ever handled such coin. We have paper dollars which can draw gold from the treasury and threaten panic. One of these is invested with the function of Midas, turning itself into gold, separating itself into itself again, and then turning into gold again. Midas could turn anything he touched into gold, but he could not endue the thing thus changed, to return to itself and continue the process *ad infinitum*. The originator of this process found a greater thing than the philosopher's stone—it is the philosopher's stone and perpetual motion united. And happy are the men who have



discovered the secret of manipulating this machine. It has enabled three per cent of our population to acquire more than half of the aggregate wealth of the nation. This machine can precipitate panic, as it did in 1893, and the few can gobble up the earnings of the many.

But if we convert the product of our mines into good sound dollars and redeem greenbacks in coin, such as we have, the occupation of the money shark will be gone. Greenbacks will be convertible into coin at any time, and coin will mean coined money as it should, not gold bought in the markets of the world. The obligation of contracts must be maintained inviolate; if a debtor obligated himself to pay gold, he must do so; but he should not be required to pay gold when he only agreed to pay coin. If coin is required, it is honest to pay gold or silver as the payer may elect. *This is honest.* But, you say, foreign capitalists will rush their bonds into the market, and stocks will decline. This won't hurt the masses. It will simply result in one or two things or



both. We shall become financially independent as a nation; our own people will get the profits of money-lending, or foreigners will be glad to lend us their money at the high rates of interest we are paying and will be glad to get our good round silver dollars. The threats that have been made by the capitalists are evidence of the weakness of their cause.

We need silver dollars and gold eagles, and will have all we need if the vicious laws passed in the interest of monopoly are repealed. We must undo what we have done amiss. Repeal bad laws and let the people work out the problem which our dabblers in statesmanship have failed to solve. The money interest drove the Republicans into a public pledge to favor a single gold standard and maintain it at all hazards. But a great mass of the party dissent and have organized an opposition which is contagious. The people of this country have never consented to any other money than that provided for in the Constitution, silver and gold, and the party that has come out flat-

footed for the gold standard will rue the action of the Republican party at St. Louis. Horace Greely's said, "the way to resume is to resume." We have dallied with resumption for seventeen years, and are still resuming. A debt of \$262,000,000 has been created during the last three years, and we have not advanced one step toward the goal of final resumption. If any one questions this statement let him show wherein any advancement has been made since 1879.

We have silver enough to redeem every greenback. They should be redeemed once, it is true; but should be retired to stop the drain on our gold. Paying them in silver will do it effectually; we haven't gold enough to do it and do business besides. We are a rich and solvent nation, but are continually humiliated by having to go into foreign markets to borrow gold when our mines, fields and workshops are teeming with wealth. Let us stop such trifling and act as men do in personal affairs. Free our farms and railroads from debt, and keep the interest and premiums at home by coining the

silver God has given us to provide for our needs. It is a shame that a great nation should be ruined by the folly of blind politicians!



## VI. THE WEAR AND TEAR OF COIN.



Men of equal honesty, wisdom and patriotism may hold diverse views of political measures. The inherent capacity of the Anglo-Saxon race for self-government depends upon the democratic principle that the majority shall rule. When new measures are presented, discussed and fairly decided by a vote, the minority gracefully submit. It is only when new laws are enacted without the knowledge and consent of the people that a protest arises. The dropping of the silver dollar from the coinage in 1873 was at least an *inadvertence*. This was admitted by the men who did it, when they subsequently returned, in a limited way, to silver coinage. But, after twenty-three years, the question is about to be submitted to the people. The oligarchic juntas have brought untold calamities upon the world, and the people are forcing the issue between gold monometalism

and bimetalism. As soon as the platforms are made and the letters of acceptance are written, these will be added to this book.

Bearing in mind what has been said about the production of gold and silver in the past (see page 17) the intelligent reader may want to know what has become of the vast store of gold and silver. *It is worn out.* During the first eight centuries the loss was £320,000,000 sterling.

The value of the metal in the coin is never equal to its bullion value. *Let this fact not be lost from view.* In the earlier times the Troy pound, 5760 grains, was  $\frac{1}{60}$  of a talent. This was further subdivided into 50 shekels or staters. When British coin is reduced below 2 per cent by abrasion it is recoined. For this reason the English divide a pound of gold into 51 pieces ( $5760 \div 113 = 51$ ). The two per cent compensates for the loss. In our ratio of 16 to 1, a grain of gold is worth 4 cents and 4 grains of silver is worth 1 cent. A dollar should thus contain 25 grains of gold, or 400 grains of silver. But allowance is made for wear

and *tear*, and the gold dollar contains 23.22 grains of pure gold, or 371.25 grains of pure silver. When the ratio of gold to silver was 12 to 1, an ounce of gold was worth a pound of silver.

Another fact we should remember, that in earlier times the coin metals themselves were worth more than they are now. Two thousand years ago a franc (the Roman denarius) was worth more than a dollar is now.

The age of Augustus is called the Golden Age, as it witnessed the greatest accumulation of gold the world had ever seen, a sum equal to about \$1,500,000,000. By the time of Charlemagne only a hundredth of it was left. For the following seven hundred years, the production only equaled the consumption. From the discovery of America to 1850, about ten times as much gold was produced as existed in the golden age, making 15 billions; where is it now? *Worn out for the most part*, no doubt. In the following 29 years about twelve times as much gold as existed in the time of Augustus was pro-



duced. This should be par excellence the golden age. The world then thought gold alone would meet its purposes; but this sorry experiment brought calamities upon the farming and industrial interests such as the world had never seen before. There were no strikes in this country before 1873, at least none in comparison with those we have had since. *The modern tramp was unknown.* Let us go back to the good old ways of gold and silver money, and God will again approve our ways. From 1493 to 1851, there was about thirty times as much silver produced as gold, and gold appreciated from 11.3 to 15.8. From 1851 to 1879, there was less than eight times as much silver produced as gold, and during part of the time gold depreciated, and was worth no more relatively than at the beginning of the century. The disturbance of the coin values of the metals was purely legislative in its causes; therefore, undo the ill-advised legislation and let the natural laws of supply and demand adjust money. At any rate, the chief work of lawmakers is the undoing of vicious legislation.



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Let the people have a fair chance to live and thrive, and all honest and industrious men and women will have what they need for comfort and refinement. Remember, *Coin wears out*. Gold and silver disappears, just as the five billion dollars of silver produced from 1493 to 1851 have disappeared. It will take 100 years at 50 millions a year to repair this loss, and before that time arrives our mines will be exhausted. Let mining and coining go on gradually. God helps them that help themselves. We are a great nation. Why wait for Germany and England, whose interests lie solely in the appreciation of gold, of which they have enough and to lend, and the depreciation of silver by which all their interests are enhanced. Let us be loyal to our own government which has made Congress the sole arbiter of regulating the value of coin. An international ratio would be a matter of *treaty made by the president with the advice and consent of the Senate*, a method of regulating the value of money in direct violation of our fundamental law.

## VII. ANCIENT COINS.



THE earliest known coin is the BABYLONIC STATER, made of 3 parts gold and 1 part silver, and weighing 166.8 grains. Its value is given at \$5.35. It contained 125.1 grains of pure gold and 41.7 grains of pure silver. This was made about 2,600 years ago, at Lydia, in Asia Minor.

The first silver coin was the DIDRACHM OF ÆGINA and weighed 192 grains, its value being 50 cents. This was the first stamped coin, as the first mint was established at Ægina. The Greeks used engraved dies, while the Lydians used rude punches. Our silver half-dollar also weighs 192 grains.

The first gold coin was the PERSIAN DARIC, coined by Darius Hystaspes B.C. 480. It weighed 129 grains of pure gold, the exact weight of our half-eagle and is

valued at \$5.52. The Greek money of the empire had been debased, and this coin drove out the bad Greek money, just as American coinage drives Mexican coinage out of circulation.

The MACEDONIAN STATER was a gold coin weighing 132.6 grains, and its value is given at \$4. Greek money was a mixture of gold and silver, for the Persian Stater of less weight, was worth \$5.35, nearly as much as the Daric, unless the difference in value was caused by the depreciation of gold.

The ROMAN DENARIUS, the penny of the scriptures, was a silver coin weighing 66.7 grains, and worth 17 cents. It was first coined about 280 B.C. It was half the weight of the Rhodian Stater.

The SHEKEL OF JERUSALEM, the piece of silver, was coined under the Maccabees about B.C. 138. It weighed 220 grains and is valued at 60 cents, showing that silver maintained a uniform value in ancient times, and was worth  $\frac{1}{4}$  cent per grain.

The ROMAN AUREUS is the next char-


acteristic gold coin. Augustus Cæsar, in the golden age, ordained this coin B.C. 27. It weighed 123 grains, the exact weight of the British sovereign. It is valued at \$4.50. The increase in the value of British gold is unexplainable. It seems to arise purely from a bulling process. The English have become the great money lenders during the century and have become rich in several ways: (1) Buying bonds at a discount ; (2) securing heavy rates of interest, and (3) through their single gold-standard manipulating gold in the markets of the world so as to appreciate the principal lent. No other conclusion can be logically drawn.

The marvelous thing about the whole matter of coinage is, that the weight of our current coins was fixed by nations that have long since perished. The standard weight of our gold eagle is the shekel of the sanctuary, the Babylonian standard, and no doubt was made after the pattern seen by Moses in the Mount. It crossed the Jordan with Joshua, and was carried

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to Babylon with the sacred vessels of the Temple. The Jews were entrusted with the oracles of God and faithfully have they kept their trust. Their whole economy was an object-lesson, teaching man the essential and eternal things concerning his destiny. The gold-eagle connects the present with a shadowy past, but proclaims the eternal fitness of things. The coins of the nations who attempted to debase the standards have perished with their authors. God is in history ruling the nations. The puny hand of man may attempt to overcome Divine Providence, but however mighty may be his efforts and however crafty his plans, all his devices come to naught. The *I will* of parliaments and kings disappear before the *I should* of the people, and the sublimer truth that God reigns. "The Lord executeth judgment among the children of men."

## VIII. RESUMPTION OF SPECIE PAYMENTS.

LSEWHERE we alluded to the unaccomplished process of resuming specie payments. After the Napoleonic wars, which taxed the resources of the world to their fullest extent, England consolidated her debt and resumed at once. We have been at it eighteen years, and it is still unaccomplished, because we have redeemed our fiat notes again and again and have not canceled them. We need coin to take their place. We have millions upon millions of silver bullion ready to be coined into good, sound dollars, but our vicious laws cause business to languish in the midst of plenty. These unwise and restrictive laws have caused panic and calamity. *The people should demand their immediate repeal.*

Specie is legal tender coin. Our token



money, cent, nickel, dime, quarter, half-dollar, are legal tender in a limited degree, and are good money besides. They are NOT debased coin. Our silver at 16 to 1 was so good that it was continually exported, and we had to resort to fractional currency (*shinplasters*) for small change. The law of 1853 reduced the silver coins in weight to prevent this. Does the reader know that our silver dollar, *as honest a dollar as ever was coined*, weighs only ten grains less than two half-dollars and a dime? As our subsidiary coin is honest money, the silver dollar is certainly *excellently honest*. Some people talk of 50-cent dollars. There are no such things as 50-cent dollars. Men should call things by their proper names. The nation pays dearly for the parity, but a silver dollar is as good as a gold dollar and buys as much in the market or at the store. Partisans for the exclusive gold-standard use this cry to humbug the people! *Gold-bug* and *humbug* are synonymous.

We need more specie. We should not store our silver as a useless thing and go

abroad to borrow gold. Is this good policy? Or, must we ask the crowned heads of Europe permission to attend to our own business? Our wars with England freed us from foreign thralldom; our civil war destroyed the institution of slavery; a restoration of the coinage laws enacted during the first seventy years of our national life will do as much for public prosperity as the first two did for independence and freedom.

The plea that the repeal of vicious new laws and the re-enacting of beneficial old ones, will ruin the nation financially is without reason. Our gold and silver are now equal at the ratio of 16 to 1; whence could the disturbance come? We would no longer be borrowers in foreign markets, and as our exports exceed our imports, how are foreign nations to get our gold? If I am a merchant and export 5 million dollars' worth of breadstuff and import 4 million dollars' worth of foreign goods, will not the foreign countries owe me a million dollars? If they owe me a million, they must pay me in the legal tender of their own country; and if

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their standard is gold, they must pay me in gold. If the legal money of this country is bimetallic, the gold and silver dollar being on a parity, should I import 6 million dollars' worth of goods instead of four, I would owe a million, not in gold alone, but in the legal money for which the goods were bought. The British and Germans do not refuse to trade with silver-standard countries and are only too glad to get their legal money. Did the fact that gold was the only legal money of England and that we had legal tender gold and silver, affect our commerce in the past? We must not buy more than we sell to gold-standard nations, and gold cannot flow out, because we maintain the bimetallic system. Some nations will continue to maintain a gold standard, as suits their convenience; others will have silver; while we have found gold and silver on a parity best suited to our needs. An international standard other than exists is a *hallucination* — a wild dream of would-be statesmen. What use has either England or Germany for the bimetallic system? They

have gold enough for their own purposes and plenty to lend besides. If we demonetize silver, that act forces us to borrow their gold to our own detriment. The coinage of our silver will prevent our going abroad for gold and will give us the money so badly needed to develop the West and South.

The exclusive gold howlers talk and write as if our silver dollar were a debased coin. It is the best silver money ever coined in the history of the world. In 1873, when it was *inadvertently* dropped from the coinage, silver bullion was worth comparatively more than gold bullion, and gold was the cheaper metal at 16 to 1. For coinage purposes, silver is worth just as much now as it was worth then. The attempt to depreciate the coin is a wicked bulling process which the American people should rebuke by casting an overwhelming vote for bimetallism.

After the cobwebs of sophistry are cleared away from subjects which mystify and confuse the public mind, the remedy for the calamity it causes is always simple and easy. In this case a few words embody it: *Coin*

*silver and resume specie payments.* The fiat money should be redeemed, not reissued nor funded. We have immense quantities of silver bullion in the treasury, and our mines will give us as much more as is necessary. If it should be thought wise to reduce the bulkiness of silver coin by means of a gold-silver coinage, the gold bullion in the treasury, the small gold coins, and the annual production of gold, will furnish the material for all the specie needed to redeem the fiat money without in any way contracting the currency. The 155,000,000 ounces of uncoined silver will furnish the silver contingent for 557 millions gold-silver dollars—more than enough for redemption purposes.

As the new coinage would require nine times as much silver by weight as gold, the free coinage advocates should become new coinage advocates, because such new coinage preserves a well-established ratio and provides for a world-wide use of silver. These new dollars, quarter-eagles and half-eagles, since they would be intrinsically better than any coin heretofore coined, would dominate



the financial markets of the world. They would afford a constant measure of values, not being subject to sudden variations on account of the greater or less production of silver and gold. Such a coinage would afford a check upon sudden fluctuations and would thus render business more stable, and would encourage all legitimate enterprises. Not through commissions to discuss and disappoint the nations, but through the regular business channels it would bring about a ratio determined by the *consensus* of mankind. As the present ratio of 16 to 1 arose out of adjustments made two centuries ago and was confirmed by other facts in 1837, if silver is given an equal chance with gold, silver will become as good and useful money in the future as it has been in the past. Are you convinced?

Our investigation has brought several facts into clear view, viz.:

1. That prior to the present disturbed condition of money standards, *a silver coin of a definite weight and fineness* has been the monetary unit of the nations. The larger



gold coins are simply multiples of this standard.

2. That gold has varied in price according to the law of supply and demand and has gradually appreciated in modern times. Four hundred years ago one pound of gold would buy 11.3 pounds of silver, and notwithstanding there was thirty-two times as much silver as gold produced from 1493 to 1850, one pound of gold on an average would buy only 14.05 pounds of silver; that is, the ratio of gold and silver did not rise to what it was in ancient times until 1640 A.D. For twenty years after 1850 up to 1870 a pound of gold would buy only 15.5 pounds of silver, whereas in 1850, it would buy 15.8 pounds, showing that gold depreciated from 1850 to 1870 and was therefore the cheaper metal. Coining gold at the old standard was not a *debasement* of gold coin.

3. That the silver dollar on the basis of American coinage is the best and soundest silver coin ever made, and is therefore not a *debased* coin. A coin is debased when its weight or fineness or both are reduced.

When the pure gold in an eagle was reduced in 1834 from 247.5 to 232.2 grains, its weight was simply adjusted on account of its appreciation during forty years. What had caused this appreciation? Evidently the fact that its demand was increased on account of England's gold monometalism. When this was done, the English sovereign had advanced from \$4.35 to \$4.57, measured by the price of silver bullion in London.

4. That it was not until after silver had been demonetized by the United States and Germany that a pound of gold would buy 16 pounds of silver in the London market. During the period from 1850 to 1870 there were but six times as much silver produced as gold, whereas from 1493 to 1850 there had been thirty-two times as much silver as gold produced. It is clear, therefore, that the depression of the price of silver is not the result of overproduction, but of under use; that is, its demonetization decreased the demand for it. This condition is now falsely denominated a *debasement of silver coin* by the advocates of a single gold stand-

ard, who are seeking the real debasement of silver by trying to establish an international ratio greater than 16 to 1. The nations in refusing to establish a ratio higher than 16 to 1 have really refused to *debase* our silver coin. The highest ratio of the non-silver-producing nations is 15.5 to 1, and yet the United States is laboring to depreciate the value of its own silver. This is certainly unwise, if it is not unpatriotic.

5. That from the greater demand for gold among commercial nations, its price has appreciated and when used as a sole standard has disturbed and unsettled values and has thus brought calamity upon the people and disturbance into the industrial and commercial world. A standard of weight, measure or value must be *uniform and unvarying*. Since gold has appreciated from 11.3 to 16 during the last 400 years, even in the presence of the check of legal-tender silver, it is unfitted to be the sole standard. The principal of debts must not be *usuriously* increased.

6. That the contention to discharge obli-

gations in *cheaper* money or to require their payment in *dearer* money is *dishonest*. Obligations must be held inviolable by both debtor and creditor. Gold and silver at the ratio of 16 to 1 is the legal money of the country and all debts contracted on this basis ought to be discharged upon this basis. To seek to evade it is unfair. If another ratio should be established, then new obligations should be measured by the new standard. If I should bind myself to pay a thousand bushels of wheat as rent for a farm on a long lease, and the capacity of the bushel measure should be increased or diminished in the meantime to realize the vagary of a *universal* measure, every court in the land would hold me to the payment of the quantity, no more no less, than I agreed to pay. Neither would it be honest to strive to get more or less by a new contract. We should pay all bonds and mortgages in the same standards of value in which they were contracted. The fact that these have passed out of the hands of original owners by no means increases our obligations.

7. That it is highly desirable to establish an unvarying standard—a bimetallic coinage—by which the appreciation of one of the money metals will check and counterbalance the depreciation of the other. Such coinage has been definitely set forth in this book. Such coinage would not only prevent the fluctuations which are so disastrous to industry and commerce, but would relieve the plethora of silver caused by the abnormal conditional of silver coinage. Honest, wise and patriotic statesmen will seek for a true remedy of the financial evils which beset us. Extreme measures should be shunned. *You go safest by the middle way*, is good advice for any one who would drive the chariot of the sun. The great danger is monometalism, either gold or silver, an experiment that is fraught with untold evils. The proper advance to be made is a bimetallic coinage which shall embody the true ratio between gold and silver and prevent the dangerous fluctuation of the standard of value. A word to the wise is sufficient.



## IX. MONEY.



MONEY is a standard of value and a medium of exchange established by law, and serves as a common medium of exchange and measure of value in trade. In early times the eastern nations used gold and silver, current by weight, while the western nations, Persians, Greeks, Romans, etc., used stamped pieces either as customary or legalized money. The framers of our constitution decreed that no money should be legal tender in payment of debts except gold coin and silver coin, and authorized Congress "to coin such money and fix the value thereof." This is a wise provision. For if money were merely merchandise it would fluctuate in value and would not be a just measure of indebtedness. As money measures values, its value must be fixed, and the power to do so is within the sovereign



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power of the General Government. States are not allowed to coin money, nor make anything but gold and silver legal tender in payment of debts. No restriction is placed upon barter. A man may sell his farm for a stock of goods, thus exchanging one kind of property for another; but when a debt arises, this debt is dischargeable in gold coin or silver coin only. Bullion is not money, but merchandise, and is subject to the laws of supply and demand. Money on the other hand, is the standard of value and medium of exchange, and should remain stable and uniform.

Business of all kinds, farming, mining, manufacturing, bartering, is affected by the volume of the money. Money is only profitable when it is used to further the ends of business. If it is hoarded, it is as useless as any trash that is not in demand. When money is scarce business is crippled; when it is too plentiful doubtful enterprises are undertaken and over-production works great evil to the industrial classes. But the government has no power to determine the

VOLUME of money. Prudence must govern those who control the finances.

Money is of two kinds, viz.:

I. Gold coin and silver coin having unlimited legal tender value.

II. Subsidiary coin, such as our coins of less nominal value than a dollar. To keep such coin in circulation the pieces must be of less intrinsic value than the full legal tender coin. When our small coin was of equal weight with the dollar, it dropped out of circulation, and not until 1853 did we have a subsidiary coin light enough to subserve the purposes of small business transactions. There is no controversy about our subsidiary coin, although it is of less intrinsic value than the dollar. Within its limits it performs the functions of sound money, and is good and convenient

A metallic currency, such as we have just described, is called specie. It is *sound money*, because it contains intrinsic value suited to its purpose; it is *good money*, because it answers public and private convenience; and it is *honest money*, because it pays

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for commodities and other things according to an established standard of value, and discharges debts on the conditions in which they were contracted. Demagogues may descry this money, but it is, with all that, *sound, good and honest.*

The Constitution permits Congress to "emit bills of credit;" that is, to put into circulation bank bills receivable for customs and taxes, and other governmental needs. *This is emergency money.* When the United States were fighting for our national life, they emitted "bills of credit," popularly known as "greenbacks." While these passed as money, they were only vouchers of indebtedness, to be funded or paid as soon as the coin for their payment could be secured; that is, when specie payments should be resumed. There are still over \$346,000,000 of these "bills of credit" unpaid. As they are vouchers of indebtedness they are not good money, although by a legal fiction their parity with gold is maintained at a great cost.

Gold certificates and silver certificates,

although mere tokens of value, are as good as coin, because the coin with which to pay them is on deposit and will be paid for them on demand. National Bank notes, while secured by so much of the funded indebtedness of the nation, are neither sound money nor legal money. No private man can bank on his debts, and the United States should not do so. The National Banks are sound—as sound as the government—and by allowing them to issue money based on bonds, the government secured money in the hour of its extremity. But it is wisdom for men to pay their debts and to keep out of debt, if possible; so the United States should not increase its obligations, but should be economical until it can pay them. A public debt is a heavy tax upon all kinds of production, and the governments, national, state and municipal, should discharge all their debts at the earliest possible moment. But a floating debt is worse than a funded debt, and the government should pay and cancel at once all “bills of credit” it has emitted or provide the coin for so doing.

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*Can we do without bank bills?* It is clear that all paper money should be redeemable in coin on demand. If the coin to redeem with is on hand, the bank note has something substantial back of it, and is not a mere evidence of debt with the doubtful quality that at some crisis its basis may be swept away by some unforeseen calamity and the loss may fall on those in whose hands it may be at the time.

There was a time in the history of this country when paper money became worthless in the hands of its holders. Our paper money is safer now, but as every dollar of it in circulation, excepting gold and silver certificates, simply represents somebody's debt, these notes should be paid in coin.

Did you ever think that our productive gold and silver mines were discovered at a time when we needed coin with which to arrive at a sound money basis? Short-sighted statesmen have brought two panics upon the country by upholding as money what is incapable of being sound money and by restricting the use of silver coined



into sound money. Our fathers said "*gold and silver should be the only legal tender in payment of debts.*" With the constitution as it is, nothing else is legal money. After we have coined our gold and silver, should business require more money for its needs, but it will not, it might be expedient for Congress to "emit bills of credit;" but so long as the life of the nation is not at stake, there seems to be no justification of such legislation. "Bills of credit," exchangeable for interest-bearing bonds, might be issued and used to prevent a contraction of the currency, when there is a tight money market.

The income of the nation should equal its expenditures. Coin the silver now owned by the government and join to it the gold reserve, and with this money cancel the greenback debt, and get down to sound money, or specie, is the dictate of wisdom.

The free and unlimited coinage of gold and silver will not help the government. The money coined will belong to persons for whom it is coined. These persons will



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put it into circulation by purchasing property with it, or lending it to borrowers, and, as it will be a full legal tender for all debts, as well as a standard of value and medium of exchange, enterprising men will be able to establish businesses, which will not be upset by every political wave, the laborer and artisan will find steady employment and will be able to pay the farmer a fair price for his products, enabling him to buy and pay for what he needs, and the country at large will be able to enter upon a new and prosperous career.

A financial system based upon faith must necessarily be unstable. It is not giving to Cæsar the things that are his. When it suits the purpose of the sharks who fatten on the calamities of others, it is an easy matter to create distrust causing banks to call in their loans and thus to check business, throw men out of employment, beggaring their families and driving fathers to desperation. While faith is of the highest quality as touching the spiritual world, it is not adapted to a state of sublunary affairs.

The men of small savings have been duped too often to trust the manipulators of stocks and bonds. There is too little conscience and no fear of God or man among such as these. Their trade is to take advantage of the unwary and get his property by stealth. Trust them not; they are unmitigable deceivers. A man is rich only in the substantial things he possesses: but of all the crazy things the folly of a man banking on his debts is most absurd.

Capital is the basis of business—money, muscle, brains, management added to capital make it productive. Debt leads to bankruptcy and poverty. Mortgages are voracious. They seldom grow less; and always consume earnings and profits. A great farmer owns a thousand fine farms, but they are mortgaged for five hundred thousand dollars; \$400,000 in paper money is based upon this indebtedness. I am asked to accept such notes as good, sound money. The farmer raises crops and pays his interest. His crops fail and prices decline, but his interest doesn't. He loses hope: he sees

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his fortune swept away; the mortgages are foreclosed. New men buy the farms and work them. But crops are poorer, prices are lower, and they do not even pay the new interest, which has been increased. The farms go to ruin, the mortgages are unproductive, and the debt which formed the basis upon which the bank notes were based is uncollectible. The notes are in the hands of innocent holders—they are worthless—they are uncurrent—and it takes more faith than sane mortals possess for any man to believe that such notes are as good as gold and silver. This is just what the government is doing in basing money on debt or faith, or anything which is not or has not a money parity within itself. The resumption act, as it never has resumed, never will resume. It leaves the floating debt uncanceled and has piled up a permanent interest-bearing debt of hundreds of millions of dollars. And for what? To keep gold, silver and greenbacks at a parity!! Indeed, such a fiction is only fit for a lunatic to conceive. It violates all economic principles

and belies the nature of money. Money measures value and effects exchanges. Money is specie and its parity is its essential nature. Money is self-sustaining. So long as the law has regulated the value of gold and silver, it is good, sound, honest money, and needs no artificial props.

Our money of all kinds consists of about 1 billion of specie and  $1\frac{1}{4}$  billions of paper money. Of this over 2 hundred millions is national currency which is not legal tender money. This national currency is based on interest-bearing bonds, that is on debt, and is not sound money. Besides, national currency is illegal money, as "the power to emit bills of credit" cannot be delegated to corporations. This money has been loaned to borrowers for over thirty-two years, and has brought over 400 millions in interest which should have gone into the government's coffers.

We need a billion more specie in order to have sound money in due quantity. At \$40 per inhabitant, we should have 3 billions in specie; and it will take ten years to provide it.

## X. EFFECT OF FREE AND UNLIMITED COINAGE.



WHEN gold and silver bullion is coined into eagles and dollars, the money so coined will be the property of the owners of the bullion. It will be legal-tender money capable of measuring values and effecting exchanges. But it will be valuable only as it is used. The owner will therefore be glad to invest it for long periods of time. In this way sound money in abundance will be provided with which to develop the industries of the country. Let us illustrate. Heretofore men who have wished to carry on great enterprises have had to borrow money from the banks on short time. They have built factories and have gathered skilful men around them to carry on the work. Now the thing that both the manufacturer and the laborer chiefly need, is the means of carrying on enterprises steadily from year

to year without interruption. But at critical periods the money-lenders tighten the money market and curtail discounts. As the proprietor cannot command the money he needs, he must either discharge some of his employes, or cut down the schedule of wages, or be ruined outright through the banks. If he does the only thing he is able to do, curtails expenses when he cannot obtain money to go on properly, a strike ensues, pauper labor is imported, and untold suffering and loss is the result. Deserving workmen are turned into tramps and their families suffer the pangs of hunger and want. But things grow worse for the manufacturer. The new laborers have wants and the proprietor must have money. But the banks won't lend him money, and after a brave struggle he has to shut down his works and lose the earnings of years. His employes are in sore distress and flock to the cities where they and their families are fed and clothed by charity. This is a sad picture, but sadder because it is true.

Free coinage of silver will provide legal



money, not money kept on a parity by selling bonds for gold with millions of silver unemployed, but coin which is intrinsically capable of measuring value and effecting exchanges. The money center will be shifted from London and Frankfort to Denver and San Francisco. The miner will become the money-lender. He will have good sound money to loan with which to encourage legitimate enterprises, and will be only too glad to loan his coin on a long term for 30 or 50 years. Let me paint the picture. Mr. A. is a skilful, careful man. He knows how to manage a manufacturing business. His heart is as warm as his head is clear. Mr. B. in Denver has the product of his mines coined into sound, good, honest dollars. He wants to make a safe investment, and agrees to loan A. \$1,000,000, for 50 years at 4 per cent., to be paid to him as he is able to invest it judiciously. Mr. A.'s first step is to buy 100 acres of land suited for his purpose. He gathers together men who want to work, and will employ only suitable men. He intends to provide each family

with a neat home with garden attached, and this new hope stirs the manhood in the man and gives courage to his family. They look to the man as a lord and a father, just as the Egyptians looked to Joseph in the days of famine. The factory is built, good workmen are obtained, and soon the barren land is beautified by neat cottages, with gardens, flowers and fruits. The whistle calls the fathers to work, the church bell calls them to the house of prayer, the schoolhouse—the free school with all its blessings, affords education to the children, and God smiles upon the enterprise. Mr. A. goes on and is not the slave of fickle banks and is not affected by dull markets or hard times. The men have constant employment and are changed from tramps into happy citizens. The young will stay until he becomes old, and by investing a little of his earnings from time to time judiciously, will provide himself a competence for old age and sickness, and will not have to look forward to poverty and want. The miner delves and gets his reward ; the proprietor prospers, and is sure

of the money needed to continue his enterprises from year to year. There will be no pinching want, no distressing closing down of the works, no unhappy strikes, because the reasons for so doing have disappeared. The men get their earnings regularly, and can buy the products of the farms around, paying fair prices. The laborer prospers, the farmer prospers, the trades prosper, and the very angels will shout over such a state of things. Lincoln freed the black slaves, and their masters now rejoice that they are free. It will be the privilege of Bryan, through free coinage, to bring about the emancipation of the white slaves throughout the land. The mine owner helps the masses, and frugal living, careful management and industry makes the community so prosperous that the plant becomes worth several millions as the happy years roll by. The demonetization of silver caused calamity throughout the industrial world, as wise men predicted—free coinage will provide a sure defense against these calamities.

We have painted one picture which we

believe is drawn to life. Now, let us duplicate this a thousand times, and you have a great people, numbering 200,000,000 in fifty years, without distress and without poverty. Statesmanship will do it, while imbecile demagogues will wonder that such a simple idea never struck them.

The expenditure of the gold and silver coined will discharge debts and provide comforts. If the people of other lands bring their silver here to be coined, they will invest it here, and not carry it back to the worn-out Old World. If some of them do take it home, they will use it to buy our products, for it will be legal money here. When other nations see how profitably this gold and silver is invested here, no man will sell his bullion for less than its coin value, and silver bullion will necessarily rise to the price it commanded in the market in 1873.

This must be so. Men will go to England with gold and buy silver bullion. The great production of gold will reduce its relative value, gold and silver bullion will

assume the relative value of 16 to 1, and we shall be no more likely to lose our gold than our silver. What will be again. The great abundance of gold will lower its relative price, and it will be more likely to go down the scale, as it did from 1850 to 1870, while silver rises.

This is an age in which much coin is needed, gold and silver. God planted the metals in the hills, and has kept them hidden from human sight until the everlasting evolution of man has demanded their use. This is a golden age, but its chief setting is silver. Let us make intelligent use of the great wealth God has discovered to us in the mountains. Here is the only panacea for the stagnation in business and the present paralysis of the industrial and farming interests. But our assumption that the free and unlimited coinage of silver will bring gold and silver bullion to a relative value between 15 and 16 to 1 is capable of demonstration. We will illustrate this by our ideal gold-silver coin. If the ratio of gold to silver were changed to 16.5, this coin



would contain  $\frac{2}{3}$  of a grain more gold than the requisite quantity, but the silver would be of less relative value. The excess of gold would balance the decrease in the value of the silver, so that the coin is still worth 100 cents intrinsically. As the appreciation of gold in four centuries is only four when the bullion is measured by the world's markets, it is about .5 in 50 years, and the only probable change is that the bullion value will range between 15.5 and 16.5. If the presence of both metals in one coin keeps its value stable, bimetallic coinage will enable the gold coin to check any violent fluctuation in the silver coin, and the presence of abundant silver coin will prevent gold coin from appreciation. The desirable thing is to have a standard of value that remains stable and uniform, and bimetallic coinage tends to produce this result in an eminent degree, whether it is coined separately or in composition.

The ideal coin which we have proposed elsewhere, as it would in many respects be more convenient than coin made from a sin-



gle metal, would help to bring silver back to the commercial value it had in 1873.

The bulkiness of silver makes it desirable money for common use. If its bulkiness is reduced by mixing it with gold, its usefulness will be greatly enhanced. We have the silver and gold in abundance, and there is no good reason why it should not be coined. We must have more sound money, gold and silver, and less fiat money, or money based on credit and faith, which is undermined by business distrust. Abundance of specie and paper based on specie not debt, is what sound finance demands.

By the facts we have presented carefully wrought out, we claim that no injury and much good would result from the free and unlimited coinage of silver. If you don't admit the conclusion, refute the argument.

## XI. THE RATIO OF GOLD TO SILVER.



THE power to coin money and regulate the relative value of the precious metals is now generally vested in the legislative body. In the days of absolutism it was vested in monarchs. In very early times the Troy pound became the standard of weight, and was divided and subdivided. A talent was divided into 60 parts, or pounds, and these parts were subdivided either into 60 parts or 50 parts. The English, in modern times, divided a pound of silver into 60 parts, called shillings, and a pound of gold into 51 parts, called sovereigns. Twenty shillings equaled 1 sovereign, or pound sterling in value. Two centuries ago the silver coin was relatively worth more than the gold and England lost her silver. There was a controversy there among the leading men as there is here now, and Sir Isaac Newton was

appointed to adjust the relation of the money metals. He found that silver was undervalued. From 1663 to 1714 the guinea had varied in value from 20s. to  $21\frac{1}{2}$ s. Newton established its value at  $20\frac{1}{2}$ s. In 1816 the guinea was dropped from the coinage and the sovereign became the monetary unit. The pound of silver was coined into 66 shillings. In the present coinage a pound of silver is worth 3.3 sovereigns.

When Hamilton, in 1792, established our monetary system, he based it upon a silver dollar of 371.25 gr. This was the unit, the measure of value, and all other coins have been simply multiples or fractions of this dollar. The ratio between gold and silver was fixed then at 15 to 1. The weight of the pure metal in the gold coin equaled  $371.25 \div 15 = 24.75$  grains of pure gold per dollar. But a pound of gold at that time was worth a little more than 15 pounds of silver, and the result was that the gold coin was exported. This continued for forty-two years, when Congress valued a pound of gold as equal to 16 pounds of silver, and re-

duced the weight of the gold dollar from 24.75 grains pure metal to 23.22 grains, which is the present weight of the pure metal in the gold dollar. By this act silver was worth more than its face value, and went out of the country. In 1853 the fractional silver coin was reduced in weight and value a little over 7 per cent, and the consequence is that our small change is not exported, but remains in the country for common use.

Between the years 1780 and 1875, the ratio between gold and silver varied as determined by their bullion price in London between 15 and 16 to 1. There is always a slight variation in the mercantile price of the metals, which in no way affects the legal value of the coin, except after long intervals. In the 329 years preceding the discovery of gold in California the average ratio was 14 to 1, and from 1851 to 1879, when we pretended to resume specie payments, the average commercial ratio was 15.85. The ratio of value was less than the ratio established in 1834 and our silver coin being really un-

dervalued, was at a premium. If the restrictions put upon silver are removed, if silver coin is given an equal chance with gold coin, the ratio will take care of itself, as such ratio does not depend upon the relative supply and demand. This is proved by the fact that as much silver was produced from 1740 to 1800 as from 1850 to 1880, while the production of gold was less than one-quarter as much between 1740 and 1800, yet the ratio of gold to silver was not quite 15 to 1 in the one case and 15.85 to 1 in the other. By the laws governing in such cases, gold should have depreciated and did depreciate, and the gold nations, such as England and Germany, arrested its downward tendency by securing the demonetization of silver.

The natural effect of the remonetization of silver will be to appreciate its value. The more silver that is used, the less gold will be required, and, while gold bullion will decline in price, silver bullion will advance in price, so that their old commercial ratio will be restored. This restoration in no way

depends upon monetary conferences, except as they may influence a greater or less use of either metal. With the history of coinage before us, no other conclusion can be drawn than that 16 to 1 is as high a ratio as the relative intrinsic value of the metals demands and that our gold coin and silver coin are true measures of value, honest money, notwithstanding the depreciation of the price of silver bullion caused by its demonetization. After it has been remonetized, if after half a century the relative price varies from 16 to 1, Congress can change the ratio in accordance with the facts. In 1493 the ratio was 11.3, and in 1870 it was 15.6, so that the change has been about one per century. In adjusting our ratio in 1834, our fathers foresaw that gold was appreciating and put less gold into the dollar than the market price required.

If our five-dollar gold piece were made to contain just as much gold as is contained in a British sovereign, which some wise men have seriously advocated, it would raise the ratio from 16 to 1 to 16.5 to 1. This would



reduce the gold in a dollar  $\frac{2}{3}$  of a grain, and would raise the premium on all gold coin about 3 per cent. Remember that the effect of raising the ratio is to raise gold coin to a premium. If the ratio were made 20 to 1 every gold eagle now coined would be raised to a premium of 20 per cent.



## XII. THE NATION'S HONOR.



THE nation's honor will not permit repudiation. When in 1834, we changed from 15 to 1 to 16 to 1, and made the gold coin of less weight, we did not repudiate our debts. The new coin was of proper intrinsic value, was sound money, and remains sound money after 62 years. The gold men contend mistakenly that it is the only sound money, but the truth is our gold coin since 1834 has not been as good intrinsically as our silver dollars. Coin measures values and is a legal tender in payment of debts. It is the only constitutional money.

The nation's honor will not be affected if the ratio is changed, unless it is insisted that no nation may change its coins. If we change to another ratio, the metal in the gold coins, according to our money system, will be changed. If the ratio were changed

from 16 to 1 to  $15\frac{1}{2}$  to 1, we should have to put a little more gold into our gold coin, and the present gold coinage would be at a discount. We cannot afford to change the ratio for theoretic reasons. Value must be *fixed, stable, unvarying*, just as our weights and measures are. There are transition periods in human history when values must be adjusted, but only reckless men would rush into the confusing experiment of changing the monetary ratio. Our bonds payable in coin may be justly paid in the legal tender money of the nation. The legal money is as sacred as the flag, and it is disloyal to discredit any of the coin established by our fathers. A contract calls for dollars, such dollars as the nation has, sound dollars, honestly coined at the established ratio. There is no dishonor in paying our debts in our bimetallic gold and silver coin.

Suppose an international conference should recommend a ratio of  $15\frac{1}{2}$  to 1, which would depreciate our existing gold coin about 3 per cent, would honor require us to pay our debts in the old gold coin or in the new gold

coin? There is no doubt that a debt made payable in the future is to be paid in the legal money in use at the time it is payable and paid. This is one of the risks the creditor always takes. The world could not do business on any other principle. If gold falls in price, it takes more gold to be worth the same amount, and this legal tender is expressed in the gold coin and silver coin which is the measure of value and medium of exchange at the time payment is made.

There is one thing the gold men don't see, and that is that while a ratio of 20 to 1 would appreciate the value of gold coin 20 per cent it would depreciate gold debts 20 per cent. Sixteen to one is a safe doctrine.

There seems to be some false notions about the debasement of gold, silver and paper. The Republicans declare that they are unalterably opposed to such debasement, and yet they have pledged themselves to secure an international ratio. An international ratio different from 16 to 1, as we have shown, will necessarily debase the

present gold coin, causing, if the ratio is raised, less gold to be put into the dollar; if lowered, more gold. In either case the value of gold coin will be at a premium or a discount, and will be unfitted for current use. The intrinsic value of the new coinage would be just and legal, but the holders of the coined gold would have their money reduced to merchandise, and until this old gold could be recoined upon the new standard, the convulsion in monetary circles would be disastrous.

Sixteen to 1 is practicable, safe and honorable. Our farming, industrial and commercial interests demand a settled policy, determined by our own authorities, not to be upset by the machinations of rival countries.

We must pay our debts in legal money, and the only legal money known to the constitution and laws is gold coin and silver coin at the ratio of 16 to 1. Our honor and interests demand that this ratio be maintained, and that we forbid men by private contract to overthrow the sovereignty of the nation. Congress determines what shall be legal

tender money, and they are restricted to gold coin and silver coin, the value of which has been regulated by acts of Congress. Paying debts in legal tender money is not repudiation. Contending for either gold or silver monometalism is repudiating the fundamental law of the land.

The soldiers who risked their lives to preserve the integrity of the Union were paid in a depreciated currency worth from 40 per cent to 70 per cent of its face value. They received it without protest or murmur. This same depreciated currency was funded in coin bonds at its face value. The nation did not repudiate and will pay in the money it promised to pay. This is honest and honorable.

The law of 1846, which is still the law of the land, provides that all payments made by and to the government shall be in gold and silver coin at the ratio of 16 to 1. The veterans who received their pay in a depreciated and illegal currency, have more right to demand that this deficiency be made up to them than that bondholders have to claim gold instead of coin.



### XIII. THE REPUBLICAN PLATFORM.



THE Republican party is unreservedly for sound money. It caused the enactment of the law providing for the resumption of specie payments in 1879; since then every dollar has been as good as gold.

We are unalterably opposed to every measure calculated to debase our currency or impair the credit of our country. We are, therefore, opposed to the free coinage of silver, except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote, and until such agreement can be obtained the existing gold standard must be preserved.

All our silver and paper currency must be maintained at parity with gold, and we favor all measures designed to maintain inviolably the obligations of the United States, and all our money, whether coin or paper, at the present standard, the standard of the most enlightened nations of the earth.

In 1892, the Republican party said: "The American people from tradition and interest are in favor of bimetallism," while the Democratic party said: "We hold to the use of gold and silver as the standard money of the country and to the coinage of both gold and silver without discrimination against either metal." Both parties held to bimetallism four years ago.

Since 1892 the new doctrine of maintaining the parity of silver by paying only in gold has sprung up. \$262,000,000 in bonds have been sold for gold to keep \$346,000,000 of greenbacks in circulation, and silver has limped along with a golden crutch. Leading men of both parties have advocated a single gold standard, but only the Republicans have made gold a cardinal doctrine. A number of the leading men of the party protested, but when protest did not avail, they bolted.

Whatever the platform means, it discredits silver and crystallizes into a governmental principle the theory of bolstering up the silver and paper money of the country, instead

of paying coin debts and redeeming the greenbacks in gold coin and silver coin. The money kings have demanded gold, gold only, gold all the time, and the government has yielded to their unrighteous demands. The Republican party has pledged itself to maintain this standard of payment, asserting that it is the standard of the most enlightened nations of the earth !!!

The Republican platform pledges the party to maintain the public credit, holding that to redeem greenbacks and pay other obligations in coin, and not in gold alone, is to dishonor the country. They are unalterably opposed to every measure calculated to debase our currency (that is, to reduce the weight and fineness of our coin—the paper cannot be debased), and yet they pledge themselves to promote free coinage of silver by international agreement of leading commercial nations. If the international agreement should establish a different ratio than 16 to 1, the gold coin would be debased, as we have shown in Chapter XI.

The first clause declares that the party is

unreservedly for sound money, and cites the fact that it fathers the act for the resumption of specie payments. There were \$450,000,000 in greenbacks to be paid in gold or silver coin, or specie, but there are still \$346,000,000 of this money in circulation, and gold by the hundreds of millions has been borrowed to keep greenbacks afloat on this golden sea.

The policy of paying our debts only in gold discredits half of our legal money, and, it is claimed, makes hard times and causes much distress among the people.

In the light of the facts given in former chapters it is absurd to claim that gold only is sound money. Silver money is as sound as gold money.

## XIV. THE DEMOCRATIC PLATFORM.



RECOGNIZING that the money system is paramount to all others at this time, we invite attention to the fact that the Federal Constitution names silver and gold together as the money metals of the United States, and that the first coinage law passed by Congress under the Constitution made the silver dollar the monetary unit and admitted gold to free coinage at a ratio based upon the silver dollar unit.

We declare that the act of 1873, demonetizing silver without the knowledge or approval of the American people, has resulted in the appreciation of gold and a corresponding fall in the prices of commodities produced by the people; a heavy increase in the burden of taxation and of all debts, public and private; the enrichment of the money-lending class at home and abroad; prostration of industry, and impoverishment of the people.

We are unalterably opposed to monometalism, which has locked fast the prosperity of an industrial people in the paralysis of hard times. Gold monometalism is a British policy, and its adoption has brought othen snatio into firnanci alservi-

tude to London. It is not only un-American, but anti-American, and it can be fastened on the United States only by the stifling of that spirit and love of liberty which proclaimed our political Independence in 1776 and won it in the war of the Revolution.

We demand the free and unlimited coinage of both gold and silver at the present legal ratio of 16 to 1 without waiting for the aid or consent of any other nation. We demand that the standard silver dollar shall be full legal tender, equally with gold, for all debts, public and private, and we favor such legislation as will prevent for the future the demonetization of any kind of legal tender money by private contract.

We are opposed to the policy and practice of surrendering to the holders of the obligations of the United States the option reserved by law to the government of redeeming such obligations in either silver coin or gold coin.

We are opposed to the issuing of interest-bearing bonds of the United States in times of peace, and condemn the trafficking with banking syndicates which, in exchange for bonds, and at an enormous profit to themselves, supply the Federal Treasury with gold to maintain the policy of gold monometalism.

Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or



individuals. We, therefore, demand that the power to issue notes to circulate as money be taken from the national banks, and that all paper money shall be issued directly by the Treasury Department, and be redeemable in coin and receivable for all debts, public and private.

The Democratic party have reaffirmed more explicitly their former declaration: "We hold to the use of gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal."

The Democratic party have based their doctrine of coinage upon Constitutional provisions, and announce their policy in seven paragraphs. Their theory is confirmed by the history of the nation.

1. The silver dollar has been the unchanged unit of value. The first ratio was 15 to 1, the ratio of gold to silver in 1792; but 42 years afterwards, when the ratio was raised to 16 to 1, the amount of pure metal in the gold coin was reduced accordingly.

2. The dropping of this standard dollar from the coinage in 1873 was followed by a panic that stretched over years. The ques-

tion of so radical a change as *gold monometalism* brought about, was not submitted to the people, and has proved an expensive and disastrous hindrance to the resumption of specie payments. It caused the nation to attempt to recover from the disasters of civil war by taking away half the means through which to do business.

3. The platform is outspoken against gold monometalism, and in this is diametrically opposed to the new Republican doctrine. It is a declaration of monetary independence, not a servile acquiescence in the policy of Lombard street. It appeals to American self-respect and asserts the fact that coinage is a nation's sovereign right, not to be dictated by foreign potentates.

4. The emphatic declaration in favor of the free coinage of silver upon a standard established in England two hundred years ago, and proved to be just and fair, is the keynote of the money question. The coinage of the accumulated silver upon an acknowledged standard will provide plenty of good, honest, sound dollars with which

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to pay our debts and build up our industries. The money will be among the people, not in the strong boxes of the manipulators of money panics, and the power to disturb business will be taken away from the men who fatten on panic and distress.

5. The condemnation of the policy of paying gold only when the obligation is to pay coin, is opportune. It is no excuse that the creditor wrongfully demands gold. It is not dishonorable to protect the country against unreasonable and unjust rapacity.

6. The protest against selling bonds for gold to carry out an unjust and unequal policy, is forcibly put. Get out of debt, and keep out, is what every prudent man does. A theory of administration which needlessly increases interest-bearing indebtedness, brings about an intolerable condition. It is especially afflicting when it arises out of the false policy of gold monometalism. Pay debts in specie, and borrowing will not be necessary.

7. The country has suffered from many kinds of paper money. The protest against

the government delegating to private corporations its power "to emit bills of credit" is timely. If the people use bank bills, they should feel that by their use they are helping the government to pay its debts in exchange for the conveniences of such money. When our gold and silver is really a legal tender for all debts, and every dollar of bank bills is convertible into specie on demand, we shall have sound money, and not till then.

These seven paragraphs are an unequivocal declaration in favor of a sound money system. They commend themselves to every patriotic man. They are practicable and of easy accomplishment. Their realization does not depend upon those whose financial interest it is to cripple this nation financially. They are golden beams of light from the starry skies of hope. They are apples of gold in pictures of silver.

## XV. THE ISSUE STATED.



THE Republican Party assumes that the present monetary system is right, viz.:

1. That the government shall maintain the parity of gold coin, silver coin, and paper money, by providing and maintaining a gold reserve.
2. That paper money shall be redeemed in gold only, and shall be re-issued.
3. That all coin obligations shall be paid in gold only, unless the holder elects silver.
4. That bonds shall be sold in the markets of the world to obtain and keep on hand a sufficient quantity of gold to carry out this policy effectually.
5. That there shall be free coinage of silver only upon condition of an international agreement of the leading commercial nations.
6. That they will use all means to promote this end.

They further assume that the remedy for any evils that may exist in the finances lies in securing a sufficient revenue, and hence propose higher tariffs, bounties, and reciprocity treaties to secure this end.

This policy they style the present gold standard, and pledge themselves to maintain it.

They further assume that the maintenance of this policy involves the national honor.

The Democratic party grounds its financial policy upon constitutional provisions and the practices of the fathers. It declares—

1. That the monetary unit is the silver dollar.
2. That the legal money of the country is gold coin and silver coin together; that is, that the standard of value is determined by the use of both metals without discrimination against either.
3. That the demonetization of the silver dollar in 1873 has resulted in the appreciation of the value of gold; a conse-



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quent disturbance of prices and values, the enrichment of the money-lending class, an increase in the burdens of taxation and debt, and the impoverishment of the people.

4. That the present gold standard system is foreign to American ideas and brings this country, with other nations, into servitude to Great Britain.
5. That there shall be free and unlimited coinage of gold and silver at the present legal ratio of 16 to 1 without the aid or consent of any other nation.
6. That such silver coin shall be a full legal tender, equally with gold, for all debts, public and private.
7. That it shall be made unlawful to make contracts payable in any one kind of legal-tender money, thus discrediting the other kinds.
8. That all obligations shall be paid in coin according to their terms, not in gold only, unless the contract is for gold.
9. That interest-bearing bonds shall not be

issued in time of peace to maintain the policy of gold monometalism

10. That the power to issue bank notes to circulate as money be taken from the national banks.
11. That all paper-money shall be issued by the government, and shall be redeemable in coin, and receivable for all debts, public and private.

The two great historic parties, therefore, come before the American people with issues diametrically opposed but clearly defined. The Republicans stand for gold monometalism as the standard of value, and discredit the silver coinage. The Democrats stand for bimetatism, gold coin and silver coin, with equal debt-discharging power of each and both. The issue is BIMETALISM *vs.* GOLD MONOMETALISM.

The resumption of specie payments and the adoption of the gold standard by the English in 1816 is often referred to, but the debasement of their silver coin at that time is not mentioned. The pound of coin silver, as we have elsewhere shown, was at first

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divided into 60 pieces called shillings of the same weight as our quarter-dollar. But in 1816 the English divided the pound of silver into 66 shillings, thus debasing it and limiting its legal-tender power. Notwithstanding this, the value of the gold coin has adjusted itself to this debased silver and the value of the pound sterling has advanced from \$4.35 to \$4.87, the gold adjusting itself to the debased silver. Our silver coin is worth intrinsically nearly 18 per cent more than English silver coin, measured by gold coin. When the standard unit of value is a gold coin, a change in ratio involves the debasement of the silver coins, as noted above; but when a silver coin is the standard unit of value, the gold coins are debased, as was done in the United States in 1834. But both political parties have pledged themselves against the debasement of our gold, the Democrats declaring for the present legal ratio of 16 to 1, and the Republicans declaring their unalterable opposition to the debasement of any of our money. Both are, therefore, pledged for sound money, the is-

sue being whether silver shall be freely coined or not.

The financial system which our fathers planted is a symmetrical tree under whose sheltering branches our land has prospered. The proposition now is, to go from bimetalism to gold-monometalism. Both parties stand for sound money, but are divided as to the policy of maintaining it. The single gold standard contracts the currency too much, and both metals are needed to procure enough sound money.

Silver dollars at 16 to 1 are not token money like our half-dollars, quarter-dollars and dimes; but full legal tender for all debts, public and private. The Republicans want to pay our coin obligations in gold only, while the Democrats have planted themselves on our constitutional money system, and say:

Woodman, spare that tree;  
Touch not a single bough:  
In youth it sheltered me  
And I'll protect it now.


The Democrats believe that the free coin-

age of silver will enable the government to pay its obligations in coin; that it will stop the raids on the treasury for gold and ease the money market. While the Republicans have declared for gold, and gold as the only standard, they regard the money question subordinate to that of tariffs.

The Congress is the supreme power. It is elected by the people and the States. It passes on the election and qualifications of the President and Vice-President, and creates the national courts. While it cannot control the opinions of the justices, if their decisions are contradictory and adverse to national policy, Congress can reorganize the courts so as to get another opinion. When the Supreme Court in 1868 pronounced the legal tender clauses unconstitutional, it was reorganized so as to get the decisions of 1870 and 1884.

The opinion of the court holds only until it is reversed. A majority of the court does not represent a majority of the people, and thirteen judges may reverse the opinion of nine. The Supreme Court is not *autocratic*.

## XVI. FALSE CLAIMS OF GOLD ADVOCATES.

 HE advocates of a gold standard assume too many things. They claim that they alone stand for *sound money*. Now, what is sound money? Fiat money is not sound money. This the gold advocates admit, for their avowed policy is to plunge the nation into irretrievable debt in order to maintain the parity of paper with gold. Greenbacks, Sherman notes, national currency is nothing but fiat money. It has no value in itself, while gold and silver have. This mongrel paper money simply represents somebody's debt—it has nothing but debt behind it. These notes are a poor contrivance, costing the nation millions upon millions of dollars to keep them afloat, and yet the Republicans have solemnly pledged themselves to maintain this system of spurious money. To claim that this is sound money is *false*; for



sound money is self-sufficient. It needs neither gold, nor bonds, nor debt, nor faith, nor aught else to maintain it. It buys necessities, it effects exchanges, it pays debts—it performs all the functions required of a standard of value and means of exchange. Sound money is specie in contradistinction to bank notes, and the resumption of specie payments means that gold coin and silver coin is the only legal tender in payment of debts. A bank note payable in specie on demand at any bank or subtreasury is *good money*, for it is a convenience, but such bill is not sound money. The Democratic platform declares for gold and silver in abundance as sound money, and “bills of credit” emitted by the government redeemable on demand in coin and receivable for all debts. This is the sound money which is demanded.

Another false claim of the gold advocates is that *money is merchandise*. *Uncurrent money* only is merchandise. During the period of the suspension of specie payments gold and silver was not current, but was

bought and sold as other merchandise. Resumption made specie current and restored it as money, so that it lost its merchandise quality and became again the measure of value and means of exchanging one species of property for another.

The claim that only gold is sound money is false. All civilized nations use both metals for money, and have done so from the beginning. In all the leading nations of the earth except Great Britain the monetary unit is a silver coin; the *franc* in France, the *mark* in Germany, the *yen* in Japan, etc. When we export breadstuffs, provisions, cotton, etc., our invoices are in dollars and cents. When we import articles from other countries the invoices are in the units of that country, and the values are convertible into legal money, not gold only. When gold and silver were merchandise bank bills had to be converted into specie.

Even the British use gold and silver. Farthings and pence become shillings and pounds. If their silver coin was not a debased coin, it would pass in this country.

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But it cannot. For the British make the value of \$16 out of a pound of silver, while we make but \$14. They measure their values by this debased coin. They have two traps. With their gold-standard trap they catch comers, and with their bimetallic trap they catch goers. Of all the claims put forth by the gold advocates, the *falsest* is that we are able to maintain the policy of paying gold only. We do not have the gold with which to do it. It has drained our country of hundreds of millions of gold. The government and the banks as well as the people have very little gold. The policy is *ruinous*. A billion of gold would maintain it for only a few years. We need *specie*, which the free coinage of the product of our mines will give us in ten or fifteen years. Paying coin will increase our stock of gold. When our needs are supplied, coinage will cease of itself. Shall our farms languish, our labor be unemployed, our business be stagnated, simply to maintain the vagary of gold-monometalism?

The claim that gold has always measured silver is *false*. The first coinage law of 1792, section 9, provides for dollars or units of 371.25 grains of pure silver, and made the "eagle of the value of ten dollars." A measure must have such size as to be safely handled. The gold dollar has been coined, but has been twice abandoned as impracticable. The claim that we had only a few dollars coined in early days is without force. The Spanish milled dollar and other coins which were abundant were made a legal tender Feb. 9, 1793, and continued so until 1857. While this law continued, there was no need of coining dollars, but the smaller silver pieces were coined in abundance. See *Coinage Laws*, p. 95.

Up to 1850, more silver was coined than gold in value. Up to 1893, over \$1,600,000,000 of gold was coined and \$670,000,000 of silver, the total coinage being about \$2,300,000,000. See p. 98. Add to this the vast amount of foreign coin used before we had mines of our own, and the lack of sound money at the present time is apparent. We

need to coin all our silver and gold. The published statistics therefore are false and misleading. Only a bad cause resorts to deception.

In France silver has always measured gold. In 1726,  $14\frac{1}{2}$  pounds of silver would buy a pound of gold. This lasted until 1785. During this period it took 14.9 pounds of silver to buy a pound of gold in London. But notwithstanding that gold was worth more in France than in England, France lost her gold. Why was this? The silver was good money, more stable in value, and the gold went out. In 1785, 15.1 pounds of silver would buy a pound of gold in London, while it took 15.5 lbs. to buy a pound of gold in France. Yet gold was at a premium in France and was not in general circulation until after 1850. Other causes than the price of bullion caused gold to disappear. The principal cause undoubtedly was the unsettled social condition of France from 1785 to 1850. Gold is more compact and is better suited for war and flight, and hence its disappearance from general circula-



tion. But the abundant production of gold from 1850 to 1865 enabled France to acquire a stock of gold. She lost \$150,000,000 silver, which caused such a scarcity of silver coin that she debased her small coins to keep them at home. This shows that up to 1865 silver at  $15\frac{1}{2}$  to 1 was worth more than gold.

Plenty of silver coin is a necessity. It is the money of the people. It measures the values of common articles. To prevent its exportation, it must be kept below the bullion price. England debased her small coin in 1816; the United States, in 1853, and France in 1865. Silver is therefore the true monetary unit, and its value has always been more stable than that of gold. The ratio of  $15\frac{1}{2}$  to 1 has lasted from 1785 to the present time in France for full legal tender coin. The coin value of gold changed 146 times in France during 800 years, and is therefore unfit to be a sole standard of value.

The yardstick argument is as stale as it is *false*. "We cannot have two yardsticks," say the gold advocates. Let us see. The standard measure is a rod made of different



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metals, 82 inches long, kept in the treasury department, just as the standard pound is kept in the mint. A measure made of a single metal would be longer in summer than in winter. So gold and silver mutually regulate value. A bimetallic standard is needed to make value stable and uniform. As a single yardstick is not a true measure, suppose we use two, one made of wood and the other made of metal. The wooden yardstick shrinks, while the metal one expands. Which of these is the true measure. You say neither and your answer is correct. If one expands an inch and the other contracts an inch, the true measure is half the sum of their lengths. This is just what happens to the money metals. Other conditions being equal, they shrink or expand proportionately to supply and demand. This gives rise to a ratio which is necessarily more stable than either metal. One will check the fall or rise of the other, and thus together they make a reliable standard of value. The truth of this is shown in the continuance of our present ratios.

Another false claim is that a ratio should be fixed by *international agreement*. Mr. Upton, pp. 94-95, "Coin Catechism," says:

"Such an agreement would in effect be an attempt to fix a value for one of the metals as measured by the other to extend throughout the commercial world without regard to the ever-changing conditions of production and facilities of transportation. \* \* \* The proposition is of itself chimerical in conception and impractical in application."

This book is endorsed by Senator Sherman and Lyman J. Gage. And yet in the face of such facts the Republican party have pledged themselves to promote an international standard—a scheme "chimerical in conception and impractical in application." Surely the money plank in the Republican platform is flippant, ill-advised and contradictory.

The claim that gold maintains the parity of silver is *false*. The silver certificates are not paid in gold, nor is silver redeemed in gold. Silver is in itself sound money and is its own parity. The greenbacks and Sherman notes are redeemed in gold and

then reissued to be redeemed again. This is the ruinous feature, and yet Mr. McKinley, in his speech to the Knoxville workingmen, July 30, said: "Our currency is good—all of it as good as gold—and it is the unfaltering determination of the Republican party to so keep and maintain it forever." We are not to have coin self-sufficient as the coin of other nations is, but only currency maintained forever at an enormous cost. The scheme of finance condemned by merchants and bankers of all parties is to be maintained forever! It is to be sincerely hoped that the last bond has been sold for such a nefarious purpose as this! May McKinley's forever be as short-lived as his plan is ruinous! But Mr. Reed, the witty, humorous, sarcastic Mr. Reed, the man whose masterly donothingness did not promote his presidential aspirations, the Nero that could fiddle while Rome burnt, the Czar that answered the appeals for relief from this ruinous policy of the endless chain by saying that the remedy was *more tax*, this new Daniel come to judgment, has

appeared in a new role. It is not tax now, but more capital, that is needed. We are to get this capital by borrowing it, and thus, add to our already too burdensome obligations abroad. Surely Mr. Reed knows how to farm! He doesn't want hayricks, but hay; that is, he wants hay, but lets it spoil for want of places in which to preserve it. If he were a farmer and raised corn and wheat, he would not sell the corn, but let it rot in the cribs, and borrow all the money he needed. He wants us not to use our silver, of which we have abundance, but borrow gold from England and Germany to develop our industries. One would expect Mr. Reed to have a modicum of common sense on financial matters, but he seems to be deaf and lame and blind. He has grown up with the false notions of finance common to his party and has disappointed his friends. The need of the hour is not more borrowing, but more paying; not more restriction, but more freedom; not more servility to foreign nations, but more independence and business pluck. The

metal is in our hills awaiting our coming. When the mountains arose from the deep the capital we need was deposited in them, not in banks. It is for us to mine it and coin it. It will help us to be honest and prosperous. It will start the wheels of trade. It will inspire the unemployed with hope. It will help the farmer, the artisan and the tradesman. It will bring comfort to the distressed, aid to the suffering, and happiness to all our homes. But the banks—the English, Dutch, French and German banks—have exchanged \$25,000,000 in gold for greenbacks! Generous men! They are like a band of lost souls returning from the Plutonian regions! Bravo! But halt! Is this act patriotic or is it good business? Let us see. If the gold reserve is exhausted, they will have to accept coin for gold, and they are too wise to kill the goose that lays the golden egg. They will pay us for our cotton, provisions and breadstuffs in sixty-day drafts! Why not? These are sold on a gold standard abroad and are paid for in gold.



## XVII. THE ELECTORAL VOTE CLASSIFIED.

| <i>Eastern and Middle States.</i> |     | <i>Old Northwest.</i>            |     |
|-----------------------------------|-----|----------------------------------|-----|
| Maine.....                        | 6   | Ohio.....                        | 23  |
| New Hampshire.....                | 4   | Indiana.....                     | 15  |
| Vermont.....                      | 4   | Illinois.....                    | 24  |
| Massachusetts.....                | 15  | Michigan .....                   | 14  |
| Connecticut.....                  | 6   | Wisconsin.....                   | 12  |
| Rhode Island.....                 | 4   |                                  | 88  |
| New York.....                     | 36  | <i>Southern States.</i>          |     |
| New Jersey.....                   | 10  | Virginia.....                    | 12  |
| Pennsylvania.....                 | 32  | North Carolina.....              | 11  |
| Delaware.....                     | 3   | South Carolina.....              | 9   |
| Maryland .....                    | 8   | Florida.....                     | 4   |
|                                   | 128 | Georgia.....                     | 13  |
|                                   |     | West Virginia.....               | 6   |
|                                   |     | Kentucky.....                    | 13  |
|                                   |     | Tennessee.....                   | 12  |
|                                   |     | Alabama.....                     | 11  |
|                                   |     | Mississippi.....                 | 9   |
|                                   |     | Louisiana.....                   | 8   |
|                                   |     | Missouri.....                    | 17  |
|                                   |     | Arkansas .....                   | 8   |
|                                   |     | Texas.....                       | 15  |
|                                   |     |                                  | 148 |
| <i>Western States.</i>            |     | <i>Eastern and Middle States</i> |     |
| Iowa.....                         | 13  |                                  | 128 |
| Minnesota.....                    | 9   | <i>Old Northwest</i>             |     |
| North Dakota.....                 | 3   |                                  | 88  |
| South Dakota.....                 | 4   | <i>Total</i>                     |     |
| Nebraska.....                     | 8   |                                  | 216 |
| Kansas.....                       | 10  | <i>Western States</i>            |     |
| Colorado.....                     | 4   |                                  | 83  |
| Wyoming.....                      | 3   | <i>Southern States</i>           |     |
| Montana .....                     | 3   |                                  | 148 |
| Idaho.....                        | 3   | <i>Total</i>                     |     |
| Utah.....                         | 3   |                                  | 231 |
| Nevada.....                       | 3   | <i>Necessary to a choice</i>     |     |
| California.....                   | 9   |                                  | 224 |
| Oregon....                        | 4   |                                  |     |
| Washington.....                   | 4   |                                  |     |
|                                   | 83  |                                  |     |







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# The Currency Question in a Nutshell.



## HISTORY OF GOINAGE GIVEN.



Production of gold and silver produced from 1493 to 1878, with their relative values.



The platforms of the political parties are given and analyzed, the issue is clearly stated, and the claims of gold advocates refuted.



The matter of volumes condensed for ready reference.



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